



United States Department of State  
Office of the Coordinator for Counterterrorism

## Country Reports on Terrorism 2005

April 2006

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Read the full report at <http://www.state.gov/s/ct/rls/crt/c17689.htm>

*These reports are submitted in compliance with Title 22 of the United States Code, Section 2656(f) (the "Act"), which requires the Department of State to provide Congress with a full and complete annual report on terrorism for those countries and groups meeting the criteria of Section (a)(1) and (2) of the Act.*

### Argentina

While Argentina cooperated very well with the United States at the operational level, it has not addressed some institutional weaknesses that hinder its counterterrorism efforts. For example, while the Argentine Government and its Central Bank are committed to ensuring that the assets of terrorist groups identified by the United States or the United Nations are frozen if they are detected in Argentine financial institutions, Argentina's financial investigative unit lacked legal and political weight. New regulations required travelers to report the cross-border transport of currency in excess of U.S. \$10,000, but there were no penalties for failure to report, nor were the reports easily accessible by investigators. The government did not advance legislative reform to criminalize support for terrorism.

Argentine security forces were vigilant in monitoring illicit activity in the Triborder Area and potential support links to Islamic radical groups outside Argentina. There is no credible evidence that operational cells of Islamic or regional narcoterrorist organizations exist in Argentina.

There were approximately 20 incidents by local groups involving small bombings, attempted bombings, or arson, mostly against U.S. and presumed U.S. businesses, including Citibank, Bank of Boston, Blockbuster, and McDonalds. No fatalities or injuries resulted. Anti-American pamphlets or graffiti were found at most incident sites.

In February, a new federal prosecutor took over the special prosecuting unit for the July 18, 1994, terrorist bombing of the Argentine-Israeli Mutual Association (AMIA) that killed 85 people. Hizballah and Iran remain the chief suspects. The prosecutor reinvigorated the problem-plagued investigation, despite suffering a temporary

setback: in September, at Iran's request, Interpol canceled the international capture orders for 12 Iranian nationals whom Argentina seeks in connection with the bombing. There were no new developments in the investigation of the 1992 bombing of the Israeli Embassy, which killed 29 people.

### **Triborder Area (Argentina, Paraguay, and Brazil)**

The governments of the Triborder Area (TBA) have long been concerned with arms and drugs smuggling, document fraud, money laundering, and the manufacture and movement of contraband goods through this region. In the early 1990s, they established a mechanism to address these illicit activities. In 2002, at their invitation, the United States joined them in the "3+1 Group on Triborder Area Security" to improve the capabilities of the Three to fight cross-border crime and thwart money laundering and potential terrorist fundraising activities.

The United States remained concerned that Hizballah and HAMAS were raising funds among the sizable Muslim communities in the region and elsewhere in the territories of the Three, although there was no corroborated information that these or other Islamic extremist groups had an operational presence in the area.

In October, Paraguay hosted representatives from financial intelligence units (FIUs) and other experts from Argentina, Brazil, Paraguay, and the United States to address the challenges posed by the transnational movement of funds. Delegations also discussed and planned implementation of a U.S. program to help uncover discrepancies in customs data that suggested illicit activity. The Three also agreed to strengthen border controls, establish customs databases, share legislative standards, and designate points of contact on bulk cash movements.

Brazil hosted a meeting of the broad 3+1 group in December. Delegates reaffirmed their commitment to fulfill obligations outlined in UNSCR 1373 and to exchange information among governments. Additionally, the four countries reiterated the need to strengthen law enforcement ties by organizing a meeting for TBA public prosecutors in early 2006. Brazil agreed to fully implement the Regional Intelligence Center in Foz do Iguacu by mid-2006, and to invite Argentina and Paraguay to send official representatives to staff it. The Three also agreed to implement joint patrols of Itaipu Lake and adjacent waterways and continue work on integrated immigration and border controls.